



March 3, 2021

Senator Winfield, Representative Stafstrom, Senator Kissel and Representative Fishbein, we testify in support of **HB6466 AN ACT CONCERNING PROPERTY THAT IS EXEMPT FROM A JUDGMENT CREDITOR** and offer this written testimony in support of this proposal. We particularly support Section 1 (20).

NAIFA is the nation's largest association representing the interests of insurance professionals from every Congressional district in the United States. NAIFA members assist consumers with life insurance, annuities, health insurance, employee benefits, multiline, financial advising, investments, as well as business and retirement planning. NAIFA's mission is to advocate on behalf of our clients and the nation's consumers for a positive legislative and regulatory environment. NAIFA CT is this state's local organization, representing thousands of members who live and work in Connecticut and tens of thousands of CT consumers who are our members' clients.

All of CT's surrounding neighbors protect a 100% cash value of whole life policies from creditors – MA, NY, and RI (See attached chart). CT only protects \$4,000 of the cash value of a policy and that is a significant disadvantage for insureds who need access in times of financial struggle to some of their cash value for needed assistance.

Why is this important? If a creditor were to be able to pursue the cash value it could potentially collapse the policy which was needed protection for spouse or family member. The insured could no longer be insurable which could be potentially catastrophic to the family. The whole life policy may have been used as a buffer asset in part of their plan for retirement, where those funds will be needed in conjunction with other assets, i.e. 401k or any other form of IRA. The cash value in the whole life policy should be protected just as the assets within a 401k are for essentially the same principle. The issue is important because with the advent of the baby boom generation retiring, there are more people needing this protection as they leave the workforce and might need access to funds.

We appreciate your consideration of this very important legislation.